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Subpart A—Nonrecourse Cotton Loan and Loan Deficiency Payments

SOURCE: 67 FR 64459, Oct. 18, 2002, unless otherwise noted.

§ 1427.1 Applicability.

(a) The regulations in this subpart are applicable to crops of upland cotton and extra long staple cotton. This part specifies the general provisions under which the Marketing Assistance Loans (MAL) and Loan Deficiency Payment (LDP) Programs will be administered by the Commodity Credit Corporation (CCC). Eligibility to receive MALs and LDPs is subject to additional terms and conditions that are in the MAL note and security agreement and the LDP application. The provisions in this part apply to the 2014 and subsequent crops.

(b) The basic loan rate, the schedule of premiums and discounts, and forms

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applicable to the cotton MAL and LDP Programs are available from FSA offices. The forms for use in connection with the programs in this subpart will be prescribed by CCC.

(c) MALs and LDPs will not be available for any cotton produced on land owned or otherwise in the possession of the United States if such land is occupied without the consent of the United States.

(d) Adjusted gross income (AGI) and payment limitation provisions specified in part 1400 of this chapter are applicable to MALs and LDPs.

[67 FR 64459, Oct. 18, 2002, as amended at 73 FR 65719, Nov. 5, 2008; 80 FR 132, Jan. 2, 2015]

§ 1427.2 Administration.

(a) The MAL and LDP Programs will be administered under the general supervision of the Executive Vice President, CCC, or a designee and will be carried out by FSA employees, and state and county committees.

(b) No FSA employee or committee may modify or waive any requirement in this subpart, except as provided in paragraph (e) of this section.

(c) The State committee will take any required action not taken by the county committee. The State committee will also:

(1) Correct, or require a correction of an action that is not in compliance with this part; or

(2) Stop an employee from taking an action or decision that is not in accordance with the regulations of this part.

(d) The Executive Vice President, CCC, or a designee may determine any question arising under these programs, and reverse or modify a determination made by an FSA employee or State or county committee.

(e) The Deputy Administrator for Farm Programs, FSA, may authorize State or county committees to waive or modify deadlines and other program requirements in cases where lateness or failure to meet such other program requirements does not adversely affect the operation of the MAL and LDP Programs.

(f) A representative of CCC may execute MAL and LDP applications and related documents only under the terms and conditions determined and announced by CCC. Any document not

executed under such terms and conditions, including any purported execution before the date authorized by CCC, shall be null and void.

[67 FR 64459, Oct. 18, 2002, as amended at 73 FR 65719, Nov. 5, 2008; 80 FR 132, Jan. 2, 2015]

§ 1427.3 Definitions.

The definitions in this section apply for all purposes of program administration regarding the cotton loan and LDP programs. The terms defined in part 718 of this title and parts 1412, 1421, 1423, 1425, and 1434 of this chapter also apply, except where they conflict with definitions in this section.

Adjusted spot price means the spot price adjusted to reflect any lack of data for base quality to make the adjusted spot price comparable to a spot price assuming the base quality. If base quality spot price data are not available, spot prices for other qualities will be used and adjusted by the average difference between base quality spot prices and those for other qualities over the available observations during the previous 12 months.

Bale opening means the removal of the bagging and ties from a bale of eligible upland cotton in the normal opening area, immediately before use, by a manufacturer in a building or collection of buildings where the cotton in the bale will be used in the continuous process of manufacturing raw cotton into cotton products in the United States.

Charges means all fees, costs, and expenses incurred by CCC in insuring, carrying, handling, storing, conditioning, and marketing the cotton tendered to CCC for loan. Charges also include any other expenses incurred by CCC in protecting CCC's or the producer's interest in such cotton.

Classification means the measurement results provided by the Agricultural Marketing Service (AMS) of color grade, leaf, staple, strength, extraneous matter and micronaire, and for upland cotton, length uniformity.

Consumption means the use of eligible cotton by a domestic user in the manufacture in the United States of cotton products.

Cooperative marketing association (CMA) means a cooperative marketing